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April 30, 2013

An Overview of Clark County's 2013 Annual Trending

The following steps were taken to conduct the 2013 annual trending Clark County:

General Overview:

Overall the Clark County market remains soft, with some increased activity in residential subdivisions that were platted a few years ago. Home sales are occurring, however there is little to no consistency in occurring sales trends. Foreclosures and short sales have tapered off but do remain in certain areas. Some areas continue to experience small loses, while some have experienced small gains. Construction of new homes has rebounded as well but it is concentrated in areas that were platted a few years back but never really got off the ground. Overall I would still rate the market as being soft but showing some signs of return. The new housing starts are predominately being constructed by developers/builders with very little to no custom built projects. As a result, vacant land sales are almost non-existent. Within the planned neighborhood development areas, developers are just transferring lots to other developers/builders. For the entire trending process sales from 1/1/2012 through 2/28/2013 were used. Sales from 2011 were utilized in the vacant residential analysis as well as the improved industrial analysis, as sales were extremely limited within these areas. There was no time adjustment of any sales, due to the inconsistency in sales prices throughout the county and the minimal amount of data available. Selling prices were related more to the individual properties and locations as opposed to time.

The newly revised cost tables provided by the state were implemented for all residential and commercial/industrial properties. Additionally, the county implemented the revised location code multiplier (LCM) as proposed by the state. Every residential neighborhood was analyzed. Sales were the primary base for any market factor changes. Additional information such as appealed properties and the net result of the cost table updates and location code multiplier change was also taken into consideration when determining the appropriate neighborhood/market adjustment factor.

Commercial and Industrial cost tables were also implemented and property classes were factored accordingly.

Land Values:

Land base rates were reviewed and as a whole were left unchanged. Where necessary, a few neighborhoods incurred minimal changes based upon recent sales information. The new agricultural land rate has also been implemented.

Market Adjustment Factors (Residential):

Clark County has approximately 490 residential neighborhoods defined. As a result of the updated cost tables and location code multiplier change every improved residential property was affected in some manner. The newly updated cost tables did not produce a uniform adjustment for all properties. Majority of the properties decreased in value, while some increased. As a result of these changes, newly created factors were implemented. Depending on the property type, the incurred sales, prior appeal information, market factors experienced all three scenarios (increased, decreased, no change). As stated above, Clark County sales are soft but showing signs of rebounding. The percentage of change is not constant throughout the entire county.

Cost Table Updates (Commercial/Industrial):

New commercial and industrial cost table updates were the starting point for updating commercial and industrial improvement values. The depreciation year was also changed. Only the township of Jeffersonville had any real activity. With the limited number of sales, especially in the smaller townships, this resulted in the combination of all other townships (county wide). Sales for industrial properties are almost non-existent. All townships were combined county wide within this analysis.

Use of Sales information

Clark County is committed to utilizing as many valid sales as possible. As stated above, sales from January 1, 2012 through February 28, 2013 were used. Within the analysis of the vacant residential and improved industrial grouping sales from 2011 were also utilized due to the limited activity in these areas. There are a total of 1250 sales, of which 34 are multiple parcel sales used collectively throughout the study. **Residential Improved:** The townships of Bethlehem and Washington were combined due to lack of activity. The same occurred in 2012. Owen Township results reflect a low COD, as a result of limited number of sales and all occurring within the same neighborhood. There wasn't any change to the neighborhood factor. The results are from the cost table changes and LCM change. **Residential Vacant:** There were a very limited number of actual valid sales within this group. The county had originally indicated that there were more valid sales within this group. However during the review process it was deemed that the majority of these were transfers from one developer/builder to another developer/builder. All of the sales where this occurred were trimmed due to multiple lots being purchased at the same time. Almost all of these lots were improved and then resold as improved properties by the developer/builder. For selected townships, the use of 2011 sales were used and noted in the study. These same townships have a historical low number of sales transactions within this group. There was no time adjustment for these 2011 sales due to the limited number of transactions and the non consistent properties. The township of Utica has a low COD as result of only 8 sales of which 6 sales occurring within the same neighborhood. **Commercial Improved:** All of the townships were combined

for a county wide study with the exception of Jeffersonville. **Commercial Vacant:** The entire county was grouped together for statistical analysis. Sales within this grouping have historically been limited and 2013 was no exception. **Industrial Improved:** There are only 3 townships (Jeffersonville, Silver Creek and Utica) that have more than twenty-five (25) properties classified as industrial improved. Despite utilizing 2011 sales, the sample size was still less than five (5) sales. There are only a total of 172 parcels classified as such within the county. **Industrial Vacant:** Only the township of Jeffersonville has more than twenty-five (25) parcels assigned to this classification. There was zero (0) sales activity. For reporting purposes, the vacant commercial analysis is being reported for this township.

I have identified 221 sales that had originally been marked as being valid but trimmed for a wide variety of reasons. These sales are in a separate file submitted along with the ratio study and this narrative. As indicated above a large number of sales had originally been marked as valid vacant residential land sales. There were seventy-two (72) of these sales trimmed due to they were transfers from one developer/builder to another developer/builder. Also as indicated above, almost all of these have been improved and sold as improved properties. A total of seventeen (17) sales were trimmed for selling again later in the year. Sixteen (16) sales were not used as the parcel number listed on the SDF is no longer an active number within the CAMA system. Fifteen (15) sales were trimmed for being outliers. Fifteen (15) sales were deemed to be duplicates within the data extraction. Thirteen (13) sales were trimmed as they are being priced with AG land. A total of ten (10) sales were trimmed as they were marked as having a relationship between seller and buyer. The remainder of the trimmed sales was for a wide variety of reasons such as bank sale, charity, adjacent property owner, significant change, etc.

Clark County is committed to using as many sales as possible during the trending process and has taken steps to ensure that the sales used provides the most accurate information relating to the housing and commercial/industrial market within the county. An additional file is also being submitted indicating those sales that were originally marked invalid but deemed warranted for use in the study.